

Dear Customer:

Re: Proposed Local Service Rate Increase, IPUC Case No. ORE-T-14-01

We previously sent you a notice of Oregon-Idaho Utilities' Application to the Idaho Public Utilities Commission (IPUC) to increase our rates for local residential service over a four-year period. We are seeking this increase to comply with recent orders issued by the Federal Communications Commission so we can maintain the federal financial support that helps to reduce the cost of your local telephone service. We are proposing the following phase-in of rates:

<u>DATE</u>	<u>RATE</u>	
Rate Prior to December 2014	\$15.77 per month	(Current Rate)
December 1, 2014	\$16.00 per month	(1.5% Increase)
June 1, 2016	\$18.00 per month	(12.5% Increase)
June 1, 2017	\$20.00 per month	(11% Increase)

We are now writing to inform you that the Idaho PUC has established a deadline of October 10, 2014 for the receipt of written comments from customers. The IPUC may grant or deny the proposed rate increases based upon its review of the Application and written comments. Customers desiring to submit comments to the IPUC or request a hearing, may do so either by U.S. mail or via the IPUC's internet page as set out below.

U.S. mail to:

Idaho PUC
P.O. Box 83720
Boise, ID 83720-0074

via the IPUC's internet page go to:

<http://www.puc.idaho.gov/forms/casecomment.aspx>

A copy of the entire Application is available for public review at the IPUC's office (472 West Washington Street in Boise) or on-line at: www.puc.idaho.gov/fileroom/cases/summary/ORET1401.html.

Customers may also subscribe to the IPUC's RSS feed to receive periodic updates about the Application by following the instructions on the IPUC's internet home page (www.idaho.puc.gov) under "Keep me Updated, Subscribe to our Feeds."

If you have any questions concerning the proposal to increase local residential rates, please contact our business office at (800) 624-0082 during normal business hours.

Sincerely,

Doug Musgrave

Manager

RECEIVED

SEP 28 2014

Givens Pursley, LLP